



**DEPARTMENT OF CORRECTIONS
POLICIES AND PROCEDURES**

Policy No.: DOC 1.3.6	Subject: ADJUSTED PAY PLAN RULES
Chapter 1: ADMINISTRATION AND MANAGEMENT	Page 1 of 6, + 1 attachment
Section 3: Personnel	Revision Date: Jan. 5, 1998 March 8, 2001
Signature: /s/ Bill Slaughter	Effective Date: July 1, 1996

I. POLICY:

It is the policy of the Department of Corrections to establish adjusted pay plan rules in keeping with the requirements established in the Montana Operations Manual.

II. AUTHORITY:

2-15-112, MCA. Duties and Powers of Department Heads

Montana Operations Manual, 3-0505. Pay Plan Rules

19-20-804, MCA. Allowance for Service Retirement

III. DEFINITIONS:

Refer to DOC 1.3.34, Personnel/Payroll Definitions

IV. PROCEDURES:

A. Promotions

1. One Grade:

For a one-grade promotion, the employee must receive a salary increase to a base salary in the promoted grade that maintains the employee's current market ratio. The exceptions to this rule are as follows:

- a) At the completion of a training assignment, the employee's base salary will be either:
 - i) For new hires, the entry salary for the grade of the position unless the training assignment is in conjunction with a pay exception authorized under Pay Plan Rules 1827, 1828, or 1829.

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- ii) For existing employees, within a range from the entry rate of the grade of the position to a base salary that maintains the employee's market ratio as it was prior to the training assignment. As a result of this policy no employee will suffer a reduction in salary from the employee's current rate.
 - b) Normally a state employee transferring to the Department from another Department, or within the Department, must maintain their current market ratio for a one-grade promotion unless the applicant's salary creates a serious pay inequity with existing employees. In such cases, the hiring authority shall consider salary relationships within the work unit and an applicant's experience, knowledge, skills and ability prior to offering a salary upon transfer. If a salary modification is required, it must be maintained between entry level and the employee's current market ratio.
 - c) A promotional salary may be increased beyond the employee's current market ratio in a one-grade promotion if there is justification for such action. Normally the justification would focus on the salary relationships within the work unit of the promoted employee and the employee's ability to perform the duties required in a manner above and beyond the normal expectation based upon experience, knowledge, skill or ability. The supervisor must complete a Pay Plan Exception Request form and forward it to the Department for approval. The exception will require the Division Administrator's and Department Director's approval.
2. Multi-Grade:
- For a multi-grade promotion, the base salary for an employee promoted to a higher grade will be set, at the Department's discretion, within a range from the entry rate of the higher grade to a base salary that maintains the employee's market ratio as it was in the lower grade.
- a) With the Division Administrator's and Department Director's approval, a promotional salary may be increased beyond the market rate for a multi-grade promotion, up to the maximum rate allowed for the higher grade, provided there is justification for such action. Normally the justification would focus on the promoted employee's ability to perform the duties required in a manner above and beyond the normal expectation based upon experience, knowledge, skill or ability. The supervisor must consider the existing salary relationships within the Department and work unit, ability to pay, and the competitive labor market. The

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supervisor must complete a Pay Plan Exception Request form ([attachment A](#)). All pay plan exception requests will be processed in the following manner:

- i) The supervisor must complete a Pay Plan Exception Request form and forward it to the Warden/Superintendent/Division Administrator for approval.
- ii) If approved, the Warden/Superintendent/Division Administrator must forward the request form to the Human Resource Bureau for review and recommendations. Once comments have been added, the Human Resource Bureau will forward the Pay Exception Request form to the Director or designee for consideration with copies to the appropriate Warden/Superintendent/Division Administrator.

B. Demotions

Employees demoted one grade, or multiple grades, will maintain their market ratio from the higher to the lower graded position. Exceptions to this rule are:

1. With the Division Administrator's and Department Director's approval, the base salary of a demoted employee may be set within a range from the employee's market ratio as it was in the higher grade, to the employee's current base salary, provided the current base salary does not exceed the maximum salary available in the lower grade. Normally the justification would focus on the demoted employee's ability to perform the duties required in a manner above and beyond the normal expectation based upon experience, knowledge, skill or ability. The supervisor must consider the existing salary relationships within the Department and work unit, ability to pay, and the competitive labor market. The supervisor must complete a Pay Plan Exception Request form and forward it to the Department for approval in accordance with section A. 1 and 2.
2. If the maximum salary of the newly-assigned grade is lower than the employee's base salary as it was in the higher grade, a supervisor, with the Division Administrator's and Department Director's approval, may protect the employee's base salary for a period not to exceed 180 calendar days. At the end of the protected period, an employee's base salary will be set at the market ratio as it was in the higher grade unless an exception is granted as outlined in B. 1., above. This pay protection will apply to employees laid off within the Department and returned to work within the Department to a lower-grade position within one year. In cases involving layoff, a Pay Plan Exception Request form will not be required.

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C. Individual Pay Plan Exceptions - Recruitment and Retention - Agency Authorized

1. When pay plan exceptions are requested under Pay Plan Rule 1827, they must be restricted to either recruitment or retention issues. Internal equity cannot be addressed through pay plan exceptions. Supervisors requesting exceptions for recruitment and retention must complete and send a Pay Plan Exception Request form to the Department. All agency authorized individual pay plan exceptions affecting employees within a bargaining unit must be implemented by the chief of the Labor Relations Bureau, or a designated labor relations representative, before they become effective. In addition to Pay Plan Rule 1827, the following criteria will be the Department's guidelines when considering pay plan exceptions for recruitment and retention:
 - a) Applicants with similar qualifications are in high demand and limited supply. The Department has experienced difficulty in retaining qualified employees and has been unable to recruit qualified applicants for the position or for positions requiring similar qualifications.
 - b) The Department has required pay exceptions to fill this position in the past or to fill vacant positions requiring similar qualifications.
 - c) Salary survey data indicates that the State's pay and benefit package is significantly less than that offered by other employers in the recruitment area for similar qualifications.
 - d) The employee possesses specialized knowledge or skills that are in demand by other employers and would require significant time and investment to replace. The specialized knowledge is unique to the employee. Other employees or applicants could not acquire sufficient expertise without considerable training or experience.
 - e) The specialized knowledge or skill is essential to the provision of statutorily required services.
 - f) The Department has evidence that the employee has applied for other employment or is being recruited by other employers, and there is significant risk the employee will resign. It is likely a retention pay exception will cause the employee to remain employed with the Department.
2. When determining the base salary under this rule, the hiring authority will consider the following:
 - a) Existing salary relationships within the work unit or Department.

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- b) Salary survey data for similar employers in similar labor and economic markets. Care should be taken to examine the employer's total compensation package including benefits, leave and retirement plans when evaluating salary data.
- c) Any job offers made by other employers.

D. Rehiring Retired Employees

1. Public Employees' Retirement System (PERS): Individuals retired from PERS under the early retirement incentive program may work part-time after retirement for an agency covered under PERS for not more than 599 hours per calendar year. A member who has received additional service under the early retirement incentive program who works for a PERS covered employer for more than 599 hours shall forfeit the additional service. Normal retirees less than 65 years of age may return to work for up to 640 hours during any calendar year. A normal retiree who is 65, but not more than 70½ years of age, is subject to the 640-hour limit or may earn an amount that when added to the current retirement benefit, will not exceed the member's final average salary adjusted for inflation, which limit provides the larger benefit. Normal Retirees over age 70½ may return to PERS covered employment for any number of hours each year without reduction of their benefits. When rehiring retired employees within the Department the following conditions will apply:
 - a) Retired employees will be considered a rehire/new hire and will normally be hired at the entry rate unless a salary exception is requested by the hiring authority according to Pay Plan Rule 1827 and the criteria discussed in the previous recruitment and retention section.
 - b) In order to rehire a retired employee, the supervisor must submit to the Director, or designee, a written plan for rehire which must include the approximate number of hours to be worked, salary and specific projects to be accomplished.
 - c) The retired employee must have received at least one retirement check prior to being rehired by the Department.
 - d) Longevity pay does not apply to retirees rehired by the Department.
 - e) The payroll section must send a form recording a PERS retired past employee's wages to the PERS Division monthly.

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2. Montana Teachers Retirement System (TRS): Individuals retired from TRS may be employed as part-time substitute teachers in Montana and earn, without loss of retirement benefits, an amount not to exceed the greater of:
 - a) One-third of the sum of their average final compensation, plus normal annual salary increases granted teaching personnel in the district from which they retire; or
 - b) One-third of the median average final compensation for members retired during the preceding fiscal year as determined by the retirement board.

It is required that any hours worked in a position eligible for membership under TRS be reported for the purpose of tracking earnings after retirement. Retirees who are employed in a part-time or substitute position are not required to contribute to the TRS. Retirees that exceed one-third of their average final compensation or one-third of the median salary, whichever is greater, the monthly retirement benefit will cease the first of the month in which the earnings exceeded the maximum allowed, and the retiree shall be reinstated to active membership status.

TRS retirees are only limited in the amount they may earn if employed in a position reportable to TRS (Ref: 19-20-804, MCA).

- V. **CLOSING:** Questions concerning this policy should be directed to Department's Human Resource Bureau personnel officers.

DEPARTMENT OF CORRECTIONS
PAY PLAN EXCEPTION REQUEST FORM

1. Requesting Facility: _____
2. Facility Contact Person: _____
3. Position Number(s) affected: _____
4. Name of Employee (if applicable): _____
5. Current Position Grade Level: _____
6. Proposed Change: _____
7. Reason and Justification for the Request: (narrative) _____

8. Comments from Personnel Section (narrative): _____

SIGNATURE OF SUPERVISOR

DATE

SIGNATURE OF DIVISION ADMINISTRATOR

DATE

SIGNATURE OF DEPARTMENT DIRECTOR

DATE

Approval of this exception will not result in a budgetary deficiency or supplemental appropriation.